

DDA 86-0167/3
14 February 1986

MEMORANDUM FOR: Acting Director of Central Intelligence

FROM: Richard J. Kerr
Deputy Director for Administration

SUBJECT: Weekly Report for Period Ending 14 February 1986

1. The House and Senate have been far apart on their respective proposals for a new supplemental retirement system for those hired after 31 December 1983. However, the Office of Personnel (OP) and Congressional Affairs representatives met this past week with the House Permanent Select Committee for Intelligence (HPSCI) staffers, and Jamie Cowan, Senator Steven's architect of the Senate legislation. The information gained indicates a compromise is near. The HPSCI staffers' position was very supportive of Agency requirements, somewhat of a reversal from their previous position. This, combined with data coming in from our consultants and the information received from Jamie Cowan, bodes well for the Agency.

The provisions which we considered critical to us are being incorporated into the new program. This includes early retirement features (50 for CIARDS and 55 for non-CIARDS); an extra accrual rate for CIARDS (we lobbied for a minimum of 1.3%, the final is coming out better--1.7% for the first 20 years and 1% thereafter); a supplemental annuity from retirement to age 62 for both CIARDS and non-CIARDS employees; and internal administration of our programs. The bill will also have a voluntary thrift plan which will match in full the first 5% of employees contributions (maximum employee contribution will be 10%). Employees will have to contribute to the basic pension plan--initially at 1.3% for non-CIARDS and 1.8% for CIARDS--in addition to the 5.7% contribution to Social Security. The trade off, to keep the cost down, is a reduced cost-of-living adjustment formula.

Things will be moving fast from this point on, with a deadline of 30 April set for enactment of the legislation. We are staying in close contact to ensure our requirements are achieved as the legislation progresses.

2. Congressman Frank Wolf posed several questions to the Agency regarding the potential impact of changes proposed for 1 July 1986 in the way Federal annuities are taxed. Data gathered in support of our response indicates that we could face serious shortages of manpower and expertise if that legislation is passed. If we assume that the employees who are eligible will not jeopardize current tax benefits by delaying retirement, we project that through 30 June 1986, [redacted] of the current Agency

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25X1 population will be eligible to retire, most of whom will probably opt to
 25X1 leave. Of this total, [] are SIS level or above and an additional
 [] are grade GS-15. The average GS grade of this projected group of
 eligibles is 12.4.

3. Rising health-care costs have for some time been plaguing the country, and this Agency's Association Benefit Plan has not been exempt from these increases. In the face of this, we have had some significant successes this past year in holding down the premium cost to our employees. The differential worked out with Congress reduced the family rate in 1986 by \$8.35 per pay period, for a \$217 annual savings per policyholder. For employees assigned overseas and covered by the Agency's Overseas Medical Program, the rates were reduced even further with additional annual savings of \$207 for a single enrollment and \$373 for a family plan. Employees are already beginning to see these savings in their paychecks.

4. There has been a critical shortage of blood in the Red Cross area blood banks, and it should not be surprising that Agency employees have responded to this need. Last week, the Headquarters Bloodmobile collected the largest number of units since August 1982. This continues the trend started in December and January of increased participation. With this encouraging response, OP will continue with its advertising program to encourage even greater donations.

25X1 5. Currently, there are [] clerical applicants in process, and another
 41 cases are under review by the Offices of Security (OS) and Medical Services (OMS) expeditors for possible initiation. In addition, recruitment trips last week netted 73 more clericals for immediate processing.

25X1 6. As of 1 February, the Agency had [] officer and technical minority
 applicants in process:

25X1 Black
 Hispanic
 Native Am.
 Asian Am.
 Other

This is the largest minority pool in eight years. With three more months of recruitment activity planned in FY 86, this number is expected to increase considerably.

25X1 ✓ 7. The bar coding system [] has been operational for
 over a week and working well. Data is being scanned and transmitted from a personal computer through the mainframe system (VM) and to the Inventory Control System for updating purposes.

25X1 ✓8. The Office of Logistics (OL) reports that the General Services Administration has sent out the Notice of Contract Award for the enlargement and renovation of the receiving and shipping docks [redacted]. Renovation work is expected to begin in early March, with completion anticipated by early fall 1986.

✓9. The Virginia Department of Highways and Transportation (VDH&T) has started soil borings along Route 123 in connection with the roadway redesign effort. VDH&T has some 52 borings to make and anticipates being in the area for eight to ten days.

25X1 ✓10. The refitting of 58,000 square feet of space in the new Headquarters Building is now complete for Africa and Soviet East European Divisions and the Political and Psychological Staff [redacted] and approvals from their respective offices are being obtained.

✓11. OL was advised by the Executive Director of the Institute of the Ironworking Industry that the Agency's New Headquarters Building is to receive their "Building of the Year Award." The Institute is composed of 20 representatives from major steel erection companies and bases its awards on the following criteria: quality of design and construction; lasting significance of the structure; architectural-engineering merit; and the use of steel as the building's primary structural system. Buildings that have won this award in the recent past are the Mobile Oil Corporation Headquarters located in Northern Virginia and the Intelsat Headquarters located in suburban Maryland. The Executive Director of the Institute will soon be sending the Agency a letter requesting photographs for display at an award ceremony to be held at the Congressional Country Club, and also requesting a proposed list of Agency attendees.

✓12. OL reports that in response to a petition filed by Local Union Number 82 to represent the custodial employees at Headquarters, Allied met with the National Labor Relations Board on 7 February. This meeting resulted in the establishment of a consent election to be conducted at Headquarters on 13 March within the guidelines and framework of the National Labor Relations Act.

25X1 13. The Office of Information Technology Crisis Communications Center (OIT/CCC) is now supporting approximately [redacted] locations. Additional satellite channel capacity was acquired on 1 February. The renovation and upgrade of the CCC, scheduled for the second week in May, is awaiting funding decision.

14. OIT continues to implement a more secure computer environment for the Agency and its customers. Software is being tested to limit and monitor access to storage devices being shared by several individuals.

15. SAFE Delivery 2 did not meet the customer acceptance criteria on 10 February. The two major factors were: the SAFE system's impact on the Agency's electrical traffic, adding to a backlog of traffic to the Headquarters communications systems; and the SAFE system's overall availability. The impact on the Agency's electrical traffic has been corrected; the SAFE system's availability is being monitored. This monitoring has verified that the Safe Delivery 2 system met the customer's (DI) criteria for acceptance and the system became fully operational on 13 February.

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19. During the reporting period, a Freedom of Information Act request for all information on Frances Gary Powers was completed by OIS. Over 1,000 man-hours were spent processing nearly eight linear feet of documents:

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[REDACTED] This accomplishment demonstrates the utility and productivity achieved through our use of independent contractors who are able to move massive cases which might otherwise languish or consume a disproportionate share of our available resources.

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23. The first phase of OTE's Excellence effort is over. With written contributions from the Office's branches, and a series of meetings involving management and staff, the Office determined that it would be useful to articulate what OTE believes in; thus:

WE MEAN IT

Training that counts for CIA
Leading the way in training
Working to be the best
Our people are the solution.

Each branch also developed lists of specific things it could do in furtherance of the Office beliefs. Many have already been put into effect. Some require support from management, and these, too, are being acted on.

24. Walter Laqueur, author of the recently published A World of Secrets: The Uses and Limits of Intelligence, has agreed to be the second writer to meet with SIS officers in the elective series, Discussions with Authors. Mr. Laqueur will talk about the content of his book and the problems that arose in publication. He will also discuss terrorism and intelligence, a subject on which he has done considerable research and writing. The seminar will be held 10 April in the DCI Conference Room.

Richard J. Kerr